

Business Case Estimates vs Forecast

Business Case Item	Business Case Assumptions	Forecast	Forecast and Realities
ERP Annual Operating Cost	\$2.1M to \$3.3M from Year 1 to 10	<ul style="list-style-type: none"> Annual maintenance and software license cost 	\$6.6M to \$9.6M <i>Behind Target: Realities</i> <ul style="list-style-type: none"> Original Business Case only included annual software and licensing costs and assumed that any ongoing requirements will be addressed by existing staff New controls, improved processes, technical expertise, and further system requirements are needed to support the drive for change throughout the City
Current software and maintenance cost savings	\$433,000 to \$469,000 from Year 4 to 10	<ul style="list-style-type: none"> Elimination of existing decentralized systems 	\$598,000 starting Year 3 <i>On Target:</i> <ul style="list-style-type: none"> Savings from decommissioned software system licenses
Procurement & Inventory Savings	\$1 to \$5M from Year 4 to 10	<ul style="list-style-type: none"> Material and service cost reduction of 5% or better Improved accounting controls leading to early vendor payment discounts Inventory reduction of 20% or better Centralization of 7 inventory stores 	\$139,000 starting Year 3 <i>Target At Risk: Initial Benefits:</i> <ul style="list-style-type: none"> Shift from tactical to strategic sourcing Going from manual / paper to digital process <i>Finding additional benefits contingent on:</i> <ul style="list-style-type: none"> More robust, accurate, meaningful dataset and subsequent reporting system As existing contracts come due, they will be re-evaluated for savings opportunities Capital investment needed to move into a centralized modern facility
Efficiencies	\$700,000 to \$3.5M from Year 5 to 10	<ul style="list-style-type: none"> Improvement in HR, Finance, Work Orders, and Payroll processes 	\$1.65M starting Year 3 <i>On Target; Benefits seen:</i> <ul style="list-style-type: none"> Staff time savings / reallocation from automated leave reporting Reduction in overtime due to knowledge of equipment status

Business Case Item	Business Case Assumptions	Forecast	Forecast and Realities
			<ul style="list-style-type: none"> • Savings on pump maintenance from better data driven decision making <p><i>Implementation Challenges:</i></p> <ul style="list-style-type: none"> • The City has also seen some change management and adoption challenges and complexities, which were underestimated. • Adoption has varied throughout the organization based on departmental maturity and additional resourcing needs • The level of effort to achieve organizational adoption and ensure effective and efficient use is higher than originally assumed in the Business Case • Employee position savings have been achieved but have been redeployed to support new processes and controls • Highly complex HR and payroll process, leads to longer lead time to realize savings • Complex collective agreement requirements, lead to longer lead time to realize savings • Processes requiring review and maturation to evolve to best practice